GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4770
ANSWERED ON:25.04.2008
ADVANCE PRICING RULES
Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government is likely to introduce advance pricing rules in the country;

(b) if so, the details thereof and the reasons therefor;

(c) the main advantage of such arrangement;

(d) whether the official tax administration are equipped for introduction of the system; and

(e) if not, the steps taken or likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a) to (e): No, Sir. Transfer pricing regulations in India are in their infancy. Further, tax administration in India also needs more time to acquire the requisite expertise in this field- Therefore, it is not feasible to introduce the system of advance pricing agreements in India at this stage.